Sectt. II-29—27,004—25-11-26.

M. W. & Labour (1926) Department.

Mines SERIES.

G.O. No. 845-W

DATED 20-7-26

M

[Despatch Abstract.]

Electricity - Bellary Electric Licence, 1921 -

Revocation - Time fixed extended by one month.

The humble petition of the Bellary Electric Corporation Company (1926) Limited respectfully begs to state as follows :—

1. The petitioner company has been formed for the purpose of taking over the assets and liabilities of the Bellary Electric Supply Company Limited, now in Liquidation, in O. P. No. 1 and 19 of 1926 on the file of the High Court of Madras.

2. The petitioner Company has just been registered as No. 1 of 26—27 by the registrar of Joint Stock Companies, Bellary.

3. Before registration the organizers who are all on the Board of Directors of the petitioner company sent a petition to the Government of Madras, a copy of which is herewith produced, which the petitioner begs leave to adopt as part of this petition.

4. In continuation of the above petition, the petitioner begs leave to bring to the notice of the Government the subsequent events that have since happened, so that the Government may be in a position to consider them before passing orders.

5. As the organizers of the petitioner Company were advised that it would be better to approach the High Court with a request that the Official Liquidator of the company now under liquidation be directed to apply to the Local Government for sanction to assign to the petitioner Company the license granted by the Local Government to the old Company and that the assets and the liabilities of the old Company be transferred to the new company.

6. An application was accordingly made on 2-7-26 through one of the organizers for the above reliefs. On the said motion, Justice Beasely the vacation Judge ordered on 6-7-26 that the Liquidator do apply to the Local Government for sanction to assign the license granted by the Government to the old company in favour of the new company as and when formed and has adjourned the further hearing of the said application to 13—7—26.

7. At that time the petitioner company was not registered but it has since been registered. A copy of the Memorandum of the petitioner Company is herewith filed. This will show the advantages which will be gained by the shareholders of the old company if the Petitioner company is allowed to take over the old company and to carry on the business.

6. The petitioner understands that the offer of the Bellary Municipality under Sec. 4 & 5 of the Electricity Act, is Rs 1,32,000. Out of this deducting the debts and other expenses, the shareholders of the company will not get more than 4 annas in the rupee, if the Municipality is allowed to purchase the business.

7. The Chairman of the Bellary Municipal Council has communicated to the Liquidator a resolution of the Council passed on 3—7—1926 offering to purchase the business for Rs. 1,32,000.

8. The liquidator has sought the sanction of the District Court Bellary to accept the offer of the Rs. 1,32,000 and to deliver possession of the old company's assets to the Municipal Council by 20—7—26, if in the meantime the sale is not completed.

9. No notice of the said application was given by the liquidator to the Directors or shareholders of the company. They were not even given to understand that the liquidator was going to ask the District Court to give him permission to accept the offer of Rs. 132000 and to deliver possession to the Municipal Council even before the money is paid and the sale is completed.

10. Casually some of the vakils who were acting for some of the shareholders and Directors were fortunately present in Court when the liquidator presented in open court the above said petition (for leave to accept the Municipal Councils offer) at about 4 30 P. M. on Friday 9-7-26, and they protested that the liquidator had no right to accept the low valuation of the Municipal Council without consulting the shareholders or the Directors and without even informing them of this step. The District Judge has adjourned the petition to 16-7-26 for notice to the old Directors and has at the same time given permission to the Liquidator to hand over possession of the Company's assets to the Municipal Council on 20-7-26 even if in the meantime the sale is not completed.

11. The order of Justice Beasely of 6-7-26 was served on the Liquidator before he made the above application to the District Judge. The Petitioner has reason to believe that the sympathies of the Liquidator are with the Municipal Council of Bellary of which town the Liquidator is a prominent citizen and that in his

Section 4 of the Act, he has grossly overlooked the interests of the shareholders of the old company. The petitioner fears that the Liquidator has not upto date even applied to the Local Government for permission to assign the license to the petitioner company.

12. The petitioner understands that the Municipal Council is not in a position to pay even the Rs. 1,32000 on or before 20-7-26 The petitioner understands that the Local Government when

approached by the Municiapl Council of Bellary for a loan, asked the Municipal Council to apply for a loan to the various District Boards in the Presidency, that such a request was made and the severl District Boards applied to have replied regretting their inability to comply with the request.

13. The order of the District Judge of 9-7-26 to say the least is a very curious one. As submitted above, the Municipal Council is not in a position to pay the amount by 20-7-26 and to take a sale under Sec 4 of the Act. What they are proposing to do, as the petitioner understands, is first to get possession of the business and then try and raise the money reqnired by issuing debentures or by raising loans from private individuals.

14. Thus the Municipality wishes to acquire the business first and then to find means for payment. The order of the District Judge giving permission to the liquidator before payment and completion of sale is utterly illegal and steps are being taken to challenge its correctness in the High Court.

15. The Government will thus see that the Municipality of Bellary is not in a position to acquire the business even if allowed to do so. Further there is the posibility of the arbitrator raising the valuation, To be asked to deliver possession and then to wait for payment by the Municipal Council until it is in a position to pay is an extraordinary position which the petitioner begs to submit, was never contemplated by the Legislature.

16. The Government will thus see that in case the Municipal Council is allowed to acquire the business in the way they propose to do, the old shareholders have to wait indefinitely and then be content with 4 annas in the rupee on their paid up capital.

17. The vast majority of the shareholders, creditors and contributaries of the old company have already consented to take shares in the petitioner company in lieu of their claims in the old company in the following manner. viz All creditors take 12 per cent cumulative preference shares, all fully paid up shareholders take 10 per cent Cumulative preference shares and all part paid shareholders take ordinary shares to the full value of the amounts paid by them to the old company.

18. The petitioner company is prepared to deposit the amount of Rs. 14000 payable to the only two creditors who have not yet signified their acceptance of the scheme and also to deposit with the liquidator sufficient amount to meet the claims of any may dissenting shareholders of the Company.

19. The petitioner further begs to state that within the last one week, shareholders of the old company living in and around Bellary and holding shares of the value of about Rs. 1,10,000. have already signified in writing their acceptance of the present

scheme and have given vakalats to Mr. B. Somayya High Court Vakil Madras, to assent to the terms of the proposed scheme. The other shareholders are also ready and their written acceptances will be obtained in the course of another one week.

20. Having regard to the fact that the time fixed in the revocation order viz. (20—7—26) is fast approaching, the petitioner company has been registered and all the above enumerated steps have been taken since the date of the presentation of the last petition. (Copy enclosed). The learned Judge of the High Court having regard to the urgency of the matter has directed the Liquidator to get the sanction of the Local Government to assign the License as a preliminary to ordering the transfer of the business to the Petitioner Company.

It is just possible that the Liquidator may not apply in time hence it is prayed that having regard to the order of the Learned Judge a certified copy of which is produced herewith—the Local Government may be pleased.

(1) To sanction the assignment of the License by the Liquidater and permit him to assign the license to the pettioner company immediately.

(2) To pass an order withdawing the revocation order as soon as the petitioner company commences business and gets a certificate to that effect from the Registrar of Joint Stock Companies Bellary.

(3) To keep the revocation order in obeyance in the meantime.

For this act of kindness, the petitioner shall everpray.

for The Bellary Electric Corporation Co. Ltd.

13/7/26

K. S. N. Kalappa Rao

Vice-Chairmen *Secretary*

The Bellary Electric Corporation Co. Ltd.

Petitioner.

The humble petition of Rao Bahadur G. Sitarama Chetty and others, residents of Bellary Town, most respectfully beg to state as follows:—

The Bellary Electric Supply Co., Ltd., was formed in 1921 for the purpose of generating electricity and supplying the same to the town of Bellary.

Owing to a provision in the Memorandum of the Company that one, Mr. S. M. Hussain, was to be the irremovable Managing Director with sole and uncontrolled powers of borrowing, etc., the said Mr. Hussain began to defraud the Company of large sums of money and in 1925, the Company owed nearly Rs. 60,000 to the creditors of the Firm and the Company was drifting from bad to worse.

Finding that there was no way of getting rid of Mr. Hussain who landed the Company in a very deplorable state, and would not quit his post, some Directors and creditors were advised that an application for winding up the Company was the only remedy to get rid of Mr. Hussain.

Accordingly applications for winding up the said Company were filed in the High Court. The learned Judge of the High Court in winding up the Company remarked that the winding up of the Company seemed to him to be the only remedy open to the Directors and creditors to get rid of Mr. Hussain who would not agree to any amicable settlement. The Judge also held that the Company was quite solvent but that as certain creditors were not paid in time, the order of winding up should follow.

After the decision of the High Court the Government issued a notification revoking the license with effect from 21—7—1926 under Section 4 (1) of Indian Electricity Act on the ground that by reason of insolvency the Licensee was unable to carry on the business fully and efficiently and have invited the Local Authority, *viz.*, the Municipal Council of Bellary to take up the concern under Section 5 of the Indian Electricity Act. Under the said Act it is only the amount arrived at as per the rules laid down therein as the value of the plant, etc., that has to be paid by the Local Authority. The petitioners understand that the valuation which is fixed by an expert on behalf of the Local Authority is something between 1 and 1½ lakhs of rupees.

The subscribed capital of the Company is Rs. 2,40,000, and the debts payable by the Company is about Rs. 70,000. At the valuation now to be proposed, the shareholders will perhaps get something like 4 annas in the rupee.

The business is a prosperous one and is capable of being developed with fair chances of paying all the debts and shareholders' capital in full. But for the extraordinary and unlimited powers given to Mr. Hussain who began to abuse his powers, the present situation would not have been reached. If sold in auction the concern will fetch not less than Rs. 3½ to 4 lakhs.

The shareholders are nearly 1400 in number and there are a very large number of shareholders in ordinary and poor circumstances to whom the return of 4 annas in the rupee will be a veritable catastrophe.

To avoid all this the Directors and shareholders have been trying their level best and ultimately they have agreed to form a new Registered Limited Company to take over the assets and liabilities of the old Company. The new Company is proposed to be formed of all the shareholders of the old Company and a copy of the Memorandum which is herewith attached will show that the organizers are prepared to guarantee (i) the repayment of all the debts, (ii) interest on the share capital, and (iii) to work the concern successfully.

A difficulty is caused, however, by the provisions of Section 85 of the Electricity Act under which apparently when the old license is revoked the Local Authority has got the first option of buying the concern at a certain valuation.

Seeing that this course will bring about ruin to a large number of shareholders, most of the Directors and creditors of the old Firm resolved, as stated above, to form a new Company and in order to get over the difficulty of the Local Authority, they approached the Chairman, Municipal Council, Bellary, with a request that in view of the possible low valuation and other circumstances, the Local Authority should waive their first option in favour of the new Company. On behalf of the new Company it was also represented to the Chairman, Municipal Council, that the new Company was prepared in the interests of the Municipality and public at large (i) to allow the Municipal Council to elect two of the Directors of the new Company, (ii) to submit to any reasonable concessions in favour of the Municipal Council, (iii) to submit to any terms and conditions that in default of the carrying out of the terms the Municipal Council might even take over the concern. The organizers offered to incorporate new conditions in the license to be applied for on their behalf.

But the Chairman turned a deaf ear to the representations and said that he would not allow the Council to consider the question.

The petitioners have, however, sent up a petition to the Municipal Council.

The petitioners beg to submit that the attitude of the Municipal Council is an unreasonable one and the Local Authority is trying to take advantage of a situation brought about by the winding up petition which was filed to improve the old Company and to bring relief to the shareholders. That was, as His Lordship Srinivasa Iyengar, J., has held, the only course left open to the shareholders and Directors to get rid of Mr. Hussain. As soon as that was done the shareholders and Directors were attempting to reconstruct the Company among the same shareholders so that they may not suffer; but in the meantime the provisions of the Electricity Act which, however, no one knew, has sprung upon them the present situation.

The petitioners approach the Government with a request that the revocation notice issued by them may be recalled, in which case, practically all the shareholders and Directors and creditors of the old Company, will approach the High Court that the business of the old Company and the license may be assigned to the new Company.

The petitioners bring to the notice of the Government that the license granted to the old Company contains a clause, that the license may be assigned with the previous permission of the Government. Thus if the Government are pleased to grant this permission and to cancel the revocation a satisfactory result might be achieved. In conclusion, the petitioners beg leave to point out that the old Company was not really insolvent, that it was never, by any such reason, unable to fully and efficiently carry on the business, that the basis of the Government Order is that there was such inability on the part of the old Company, that as pointed out by the High Court, the said assumption is entirely unfounded and that, therefore, the revocation order of the Government based on such an erroneous assumption should be reviewed and the order of revocation cancelled.

As the original license permits of assignment with the sanction of the Local Government, there would have been no difficulty but for the revocation order passed by the Government. The present petitioners were only waiting for receipt of necessary papers to form a new Company and then wanted to seek the Local Government's permission for the License to be assigned and to request the High Court to direct the liquidator, who now represents the old Company to then assign the License in the name of the new Company. As all the shareholders and all the creditors are willing to such a course the High Court will certainly pass the order and it remains only for the Government to permit the same under Clause (12) of the License and as a preliminary to it, cancel the revocation order as based on a wrong assumption of fact.

The petitioners may also be permitted to beg leave to doubt if the procedure of the Government in taking action under Section 4 (1)

of the Electricity Act, without giving notice to the petitioners of their intention to exercise the power, which is exercisable only when the circumstances stated in the Act exist, is not *ultra vires* altogether.

After all, the Local Government is only an authority constituted under the Act, to exercise judicial discretion and act judicially under the Act, especially as the Revocation Order involves a drastic interference with the rights of parties and curtailment of their rights of property.

The petitioners, therefore, submit that, if necessary, an inquiry might be made into the circumstances of the matter, and necessary orders may be passed thereafter.

For this act of kindness the petitioners shall ever pray.

IN THE HIGH COURT OF JUDICATURE AT MADRAS.

ORDINARY ORIGINAL CIVIL JURISDICTION.

Wednesday, the 10th day of March 1926.

THE HONOURABLE MR. JUSTICE SREENIVASA IYENGAR.

O. P. No. 1 of 1926.

IN THE MATTER OF THE BELLARY ELECTRIC SUPPLY CO., LTD.

Judgment :— O. P. Nos. 1 and 19 of 1926.

I have given this matter my very careful consideration. I postponed in this case an order for the petition being advertised as long as I had hoped that there might be ways and means of getting over the difficulties and obstacles and seeing something done by which sufficient money might be raised to pay off the pressing creditors and placing the affairs of the Company on a satisfactory basis. But I do not think it is possible that in the present state of affairs anything at all can be done and I am not satisfied that there is any longer sufficient reason in law for my refusing the order that is applied for. There has been default in the payment of the amount claimed by the creditor and the terms of the Section are satisfied. I gave more than one opportunity to the professional official liquidator to raise an amount sufficient to pay off this and other liabilities which were expected to be pressing. But even though more than one adjournment were obtained nothing has been done and the report of the official liquidator to me personally on the last occasion was that he was unable to do anything further. Mr. Thanikachalam Chettiar on behalf of the Managing Director has strenuously opposed the making of an order of liquidation in this case. Though it is not necessary for me to state anything with regard to the causes that have led to the present condition of the Company, I cannot help suspecting that the whole of the present situation has been got about by the difference between the large body of the Directors on the one side and the Managing Director on the other. The result has been a sort of an impasse and the Company has been really able to do nothing at all for several months past. It may be that the application for winding up has been brought about at the instance of some Directors merely for the purpose of arriving at a solution of the present state of affairs. But I cannot at the same time overlook the circumstance that does appear to me to be the only solution now open. If the Managing Director had agreed to forego what he considered to be his own rights or interests in the matter and if the Directors had also seen their way to work harmoniously, I am sure that the present state of things could have been certainly avoided. It is not a case of an insolvent company. I am satisfied that there are assets, but still under the Section of the Companies' Act the condition has arisen under which the Court could be asked at the instance of a creditor to make an order of winding up. Excepting a few shareholders who now appear through Mr. S. Doraisami Iyer, all the others that have appeared before me on this notice support the application for winding up. Mr. Thanikachalam Chettiar has asked me now not to make immediately an order for winding up but under the provision of Section 239 to order a meeting of the Directors and contributories to be held under the chairmanship of any person I may nominate for the purpose of ascertaining their wishes or at least for a meeting of the Directors only being called to see whether some arrangement could not be made by which the present crisis may be tided over. He has also asked me under the provisions of Section 174 to consult before making an order the wishes of the Directors and contributories in such other manner as I might think fit. If I felt persuaded that there would have been the slightest use in consulting the wishes of the creditors or contributories or in calling a meeting either of the Directors or of the creditors and contributories as suggested by Mr. Thanikachalam Chettiar, I should certainly have done so. But having regard to my own opinion which I have arrived at with regard to the present state of the Company during the last several occasions on which this petition has come on for hearing before me, I feel satisfied that not the slightest useful purpose could possibly be served by putting off the order for winding up and delaying the matter further by calling such meetings or ascertaining the opinions of persons referred to. I therefore direct that the Company be wound up by order of Court.

10.

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All parties including the Managing Director are now agreed that Mr. T. Raghavacharlu, High Court Vakil, practising at Bellary, may be appointed as official liquidator. He is appointed accordingly. He will as security give his own bond in the sum of Rs. 25,000. His remuneration will be as laid down in the rules. The provisional official liquidator will pass his accounts before the officer of this Court and I fix his remuneration at Rs. 500 which will be paid by the liquidator appointed by me as soon as the provisional official liquidator Mr. Siva Rao passes his accounts and gets his discharge. In passing the accounts allowance will be made to him for applications made by him to the Court and a reasonable fee for the appearance of legal practitioners on his behalf.

The petitioners and the Directors represented by Mr. Mockett and Mr. V. C. Gopalratnam will have their taxed costs for appearing on these applications paid out of the assets of the Company by the liquidator. I certify for counsel for the petitioners and for the Directors that have appeared by Mr. Mockett. In taxing the costs I direct that the costs reserved by me on the interlocutory application made in O. P. No. 1 of 1926 on the 19th of February be allowed to all the parties aforesaid to whom I have ordered costs to be paid with a certificate for counsel therein.

10-3-1926. (Intd.) V. V. S.

The time limited under Rule 32 of the Rules of Court relating to companies for publication of a notice in the *Fort St. George Gazette* is hereby extended by a fortnight from this date.

22-3-1926. (Intd.) V. V. S.

Certified to be a true copy.

Dated this 10th day of April 1926. *Bench Clerk, O. S.*

Forwarded to the Secretariat. Please arrange to have the file of the Tube Railways case ready for practicable

14/7/26

To

The Hon'ble the Law Member
(in Charge of Electricity)
Fort St. George,
Madras.

Honoured Sir,

On behalf of the Bellary Electric Corporation Company 1926 Ltd., I beg to present you the following supplemental petition in continuation of the petition you were pleased to permit me to present to you yesterday:——

1. The original order of the Government revoking the license issued in favour of the old Bellary Electric Supply Company Ltd. was passed under Section 4 clause 1 sub-clause (d) of the Indian Electricity Act on the ground that the licensee was insolvent.

2. The said order of the Government is based upon a misapprehension of the said Company's financial position and even the order of the High Court directing the winding up of the Company expressly states that the Company is not insolvent. (Copy of the High Court's order was appended to the petition presented yesterday)

3. Moreover the said order of revocation was made without notice to the Company itself and I venture to submit that such notice would be necessary in all cases where the Government by its executive order purports to deprive shareholders of their property

rights.

4. For the aforesaid reasons the said order of the Government revoking the license on the alleged ground of insolvency of the licensee is erroneous and deserves to be reviewed.

5. I further beg to submit that under the said order of revocation the license expires on the 20th instant and that to prevent an impasse and the work not being interrupted it is necessary that the order of revocation should be withdrawn.

6. It is therefore prayed that the Government would be pleased to withdraw the order revoking the license issued to the Bellary Electric Supply Co. Ltd. and pass such further and other orders as may be just and proper in the circumstances of the case.

Dated this 14th day of J u l y 1926.

N. Chandrasekhara Ayya

Mylapore, Madras.

Vakil for the Bellary Electric Corporation Company 1926 Ltd.

13

To

THE HON'BLE THE LAW MEMBER

in charge of

ELECTRICITY,

Fort St. George,

M a d r a s.

Supplemental

Petition on behalf of

the Bellary Electric

Corporation Company 1926

Limited.

Mr. N.Chandrasekhara Aiyar

Vakil for the Petitioner

POSTS 14

Sent at _____ H. _____ M.

To _____

By _____

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Tie/ IV

Source of wages Workers
are ready to take the current
situation

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C. 627

POSTAL TELEGRAPHS

NOTICE

This form must accompany any inquiry made respecting this Telegram.

16 JUL 1926
7711B

MADRAS

Words. 35

TO

Kindly paid the
Kolar law members fort madras
for application made in kollary
district court today court directs
to pay instant order revoking
license kollary electric supply
company limited written applica
follows

official liquidator

TELEPHONE No.

17

TELEGRAMS.
"BESCO"

PLEASE QUOTE THIS OFFICE LETTER No. IN ALL YOUR COMMUNICATIONS.

The Bellary Electric Supply Co., Ltd.,

(IN LIQUIDATION.)

Ref. No.

BELLARY,

19th July 1928.

From

.R.E/. T. Rajaveloori, B.A., B.L.,

High Court Vakil and Official Liquidator

to the Bellary Electric Supply Co., Ltd.,

Bellary.

To

The Hon'ble the Law Member,

Fort St. George, Madras.

Sir,

Re: O. Ps. 1 and 10 of 28, Madras High Court.
In the matter of the liquidation of the Bellary Electric Supply Co., Ltd.,

In continuation of my wire of yesterday I have the honour to submit that I have been directed by the District Court of Bellary in O. Ps. 1 & 10 of 28 to move you for an order of the revocation order of the license of the Bellary Electric Supply Co., Ltd., which took effect on the 31st July 1928 under the following circumstances:-

2. A new company named and called on 10-7-28 as the Bellary Electric Corporation Company 1928 Ltd., submitted a petition on 13-7-28 to the District Court praying that the undertaking of the Company in liquidation to the Bellary Municipal Council would be prejudicial

to the interests of the share-holders of the said Company and proposed to take over the assets and liabilities of the said Company on terms more favourable to the Share-holders. The new Company also submitted to the District Judge that it has applied to you for a cancellation of the above mentioned revocation order and prayed that I may be directed to apply to you for an abeyance of the said order, pending disposal of the petition submitted by them.

3. Thereupon the Distric Court passed an order, a copy whereof I have herewith appended.

4. I pray that the necessary orders may be passed.

I have the honour to be,

S i r,

Your most obedient servant,

T Raghavachari

Official Liquidator.

Gk.

In the court of the District Judge of Bellary.

Present:- H.R. Bardswell Esquire, M.A., District Judge.

Friday the 16th day of July 1926.

Interlocutory Application No. 350 of 1926.
(Original Petitions Nos. 1 and 19 of 1926 on the file of the High Court, Madras.)

In the matter of the Bellary Electric Supply Co., Ltd.,

Between:-

G. Seetharama Chetty ... Petitioner.

and

The Official Liquidator, The Bellary Electric Supply Co., Ltd., ... Respondent.

Petition, dated 15-1-1926, under Section 151, Civil Procedure Code, praying that this Hon'ble Court may be pleased to direct the Official Liquidator (1) to apply forth with to the Local Government for permission to assign the license granted to the Bellary Electric Supply Co., Ltd., to the new Company ; (2) to apply for the cancellation of the order of revocation of the license passed by the Local Government ; (3) and pending the passing of the final orders for an order to keep the revocation order in abeyance (4) and for making such further or other orders as the Hon'ble Court might deem fit and necessary.

This Petition coming on for orders this day in the presence of Mr. N. Chendrasekara Iyer, Vakil for the Petitioner and the Official Liquidator appearing in person , the Court passed the following

O R D E R:-

There are three prayers in this petition. The first

is that the Official Liquidator may be directed to apply forthwith to the Local Government for permission to assign the license granted to the Bellary Electric Supply Co., Ltd., to the new Company that has been formed. I cannot give such a direction as long as the license granted to the -- Bellary Electric Supply Co., Ltd., remains cancelled. This particular prayer cannot therefore be granted.

2. The second prayer is that the Liquidator be directed to apply for the cancellation of the order of revocation of the said license that has been passed by the Local Government Such a direction cannot be given off-hand. The Official Liquidator must have time first of all to look into the matter and give the Court his opinion as to whether the proposal for assigning the license, supposing the revocation of it be cancelled, to a new Company than the proposal already made. He promises to let me have his opinion by 19-7-26 and further orders on this part of the application will stand over till then.

3. The third prayer, though not clearly expressed, means that the Liquidator be asked to request to keep the revocation order in abeyance pending final orders on this petition. The Official Liquidator will be asked to move the Government accordingly.

Pronounced in open Court this 16th day of July 26.

District Judge.

(True Copy)

21

POSTS TELEGRAPHS.

NOTICE.

This form must accompany any Inquiry made respecting this Telegram.

Charges to pay.

Rs.	As.

585

Handed in at (Office of Origin.)	Date	Hour.	Minute.	Service Instructions.	Words.
Bellary	10/	13/50			26

TO

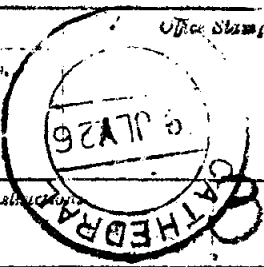
Rd. Hour. 15/15 M.

C. A SC POSTS TELEGRAPHS.

NOTICE.

This form must accompany any inquiry made respecting this Telegram.

Charges to pay. Rs. As. Office Stamp.



Line derein at (Office of Origin.) Date. Hour. Minute. Service Instructions. Words.

Bellary 17 15 15 BY

Recd. here at H. M.

To

(Partly Cipher)

Honorable Law Member

Madras (Confidential)

license Bellary electric

Company ~~Terminates~~

terminates tomorrow

court fixed sixth

F.B.—The name of the Sender, if telegraphed, is written after the text.

C. 23

POSTS TELEGRAPHS.

NOTICE.

This form must accompany any inquiry made respecting this Telegram.

Charges to pay. Rs. A.

Office Stamp.

CATHEDRAL 19 JL 26

Handed in at (Office of Origin.) | Date. | Hour. | Minute. | Service Instructions. | Words.

TO

Recd. here at H. M.

18

11

request for Commissioner municipalities office pray extend licence one month else public inconvenience schools

offices ? operators

N.B.—The name of the Sender, if telegraphed, is written after the text.

Thacker Bus Bros.—Printers—Cal.—577—22 5 25—1,00,000 Pks.

I am sending herewith a number of - telegrams and petitions that I have received in regard to the Bellary Electrical undertaking. One of the points which arises for consideration is whether section 4(1)(d) of the Electricity Act actually applies if - there has been no insolvency proved and if, as is now alleged, the real cause for the - winding up order made by Mr. Justice Srinivasa Aiyangar was not insolvency but the mismanagement inseparable from the ~~management~~ control of the concern by a permanent Managing Director S.M.Hussain who seems to have been a fairly thorough and comprehensive rogue. There are no doubt many reasons why, if possible, the Municipality should be allowed to manage a - local undertaking of this kind but the Bellary Municipality seems to be unable to get any - money for purchasing the concern.

Some of the questions raised in this - case are questions of law and apparently the courts have begun to take cognisance of the disputes. The licence terminates on the - 21st Aug and the court seems to have fixed the - 6th August for considering the Municipality's offer. In any case, I think the period of licence should be extended by a month as requested by the Official Liquidator in order to obviate public inconvenience. In the - meantime the petition of the new company - would also be considered and I think the best plan would be to keep in abeyance the order for the revocation of the licence until the court passes orders on the competing claims

of the Municipality and the new company. Mr. Bardswell himself thinks that this course would be most convenient(vide, paragraph 2 of the annexure to the petition sent by Mr. Raghavachari).

page 20 ante.

CPA
20
21.7.26.

C-35
Circ 20-7
Rds.

AS

A draft order is submitted.

After its issue the file may be sent to the L.S.G. Dept. for perusal along with the two linked files.

Rs.
20.7.26

20/7/26.

H'ble C. for approval of the draft.

approved as modified (vide draft)

Telegram & circular also

CPA
20/7/26

Issue today
Rs
20.7.26

Telegram & Co issued on 20-7-26

do

RD 10 Aug

L.S.G. no order A

L.S.G.

PWDno
77113/26-1
20/7/26

with 2 linked files
Circ 6659 B/26 &
7567 B/26

Submitted for perusal. The Council may be able to persuade the Board to lend the Nellore or any other steamer to bring the money

21.7.26

Secy

PWDno

L.S.G. Secy
No 21119(B)-1
23.7.26

P.T.O.

LSC

Please see letter file. Does the Town Application have been published ? .)

It is not clear how the new Co. comes in or the suit.

Under the Act - § 5 (a) - the Municipality seems to have the 1st right to buy the undertaking - & it is only when it does not buy it that the Local Govt. may permit the licensee to sell to a 3rd party.

The Mpality is (I think) the proper & authority to run this enterprise & will not (I understand) have any difficulty in raising the necessary sum to buy it

OBL 27/7/26

PNO

P. N. O

L.S.G. 2a.o
23 11 (B) 9-1 (B) LSM
23 JUL 26.
23JUL1926
8068 B

Secy

Please see the notes above. An extract of A in L.S.G. Secy's note above has been added to the middle limited file. These papers will be Stitched & the F.O. put up in the middle limited file which will be brought up for further action on 7.8.26.

+ Corr: 66598/26

arm 26/7/26

OBL 26/7

27/7

LSC

Sectt. II-5 (b)—25,000—25-11-25. (6)

M P. W. Labour. DEPARTMENT.

	Date.	Initials.
When received for Fair-copying.		
When copied ..	20/7/26	
When examined ..	20/7/26	
When signed ..		
When despatched ..		

E. Lectricity – Belling Electric Licence, 1921. Revocation – Time fixed extended by one month

flag Q index

READ AGAIN G.O. No. 434W, dated 21 - 4 - 1926

" " " " " " 192

READ ALSO:–

C. No. ..... From the official Liquidator of the Belling Electric Supply Co. Ltd, Belling, No. nil, dated 17 - 7 - 1926

" " " " " " 192

" " " " " " 192

ORDER.

No. 845 W dated 20 - 7 1926.

Mis

flag Q 434W
linked file

To issue by post
20/7/26

In Go No 434w of 21.4.26 the Govt decided to revoke the licence granted to the Belling Electric Supply Co. Ltd, the licensees under the Belling Electric Licence 192 and directed that the revocation should take effect from the 21st July 1926. ~~It having been brought to the notice of Govt that the~~ The question as to whether the Municipal Council Belling or Cheshunt a newly formed

Company by name the Belfry Electric Corporation Co. Ltd should be allowed to take up the Concern ~~Suit~~ under ~~dispute~~ adjudicate by the District Court of Belfry & the Govt. ~~[illegible]~~ direct that the order of revocation be kept in abeyance for one month (ie) upto 21st August 926.

and the further question having been raised as to the applicability of the provisions of S. 4 (1)(d) of the Electricity Act to the present case

The following telegram will be despatched to the Special Legislation to the Belfry Electric Supply Co. Ltd.

+ CIB
To issue telegram noting the reply passed at 16 + 20 cf.
Telegram Desp 20.7.26

Orders Keeping revocation [on] abeyance [for] one month under issue

DESPATCHED 20/7/26

To The Special Legislation to the Belfry Electric Supply Co. Ltd, Belfry
paras 1+2

The Chairman, P.C, Belfry
" El. Inspector, Govt
" Govt Govt Press for publication in the Gazette

Pol 20.7.26

for Secy